(b) Interest rates on advances of these countries (except Mexico) are lower than that [17 per cent (minimum) on bank advances of over Rs. 2 lakh in March 1993] in India. The level of Interest rate depends on many factors like current and expected rate of inflation, rate of saving, investment-saving gap, expected changes in the exchange rate and degree of openness to capital flow.

(c) The interest rates on deposits and advances are reviewed from time to time in the light of major macro-economic trends. Interest rate on bank advances of over Rs. 2 lakh was brought down to 15 per cent (minimum), effective from September 2, 1993.

Demand Notices to Banks for Payment of Tax

90. DR. SANJAYA SINH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the commissioner for Income-tax, Bombay has decided to compute the extra tax liability on scam-tainted banks and has sent demand notices to various Banks for 1989-90 for payment of tax worth Rs. 300 crores;

(b) if so, what are the details of the decision and the names of the banks that have been served with notices along with the details of their demands; and

(c) what is the reaction of Banks in this regard?

THE MINISTER FOR STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) Yes, Sir,

(b) Additions to the returned income have been made in the cases of eight Banks who are considered to be involved in security scam. The details of additions made in such cases of Banks, are as per Statement *(See* below).

(c) All the Banks have filed appeals before the CIT (Appeals) under section 246 of the Income-tax Act, 1961.

Statement

s. No	Names of the Banks	Additions relating to scam (in crores)	Other additions (in crores)	Total Net demand as per demand notice (in crores)
1.	Citi Bank	Rs. 35.92	Rs. 7.01	Rs.43.11
2.	Bank of America	Rs. 5.52	Rs. 12.12	Rs. 18.48
3.	American Express Bank	Rs. 12.04	Rs. 8.26	Rs. 20.86
4.	Union Bank of India	Rs. 0.06	Rs. 53.34	Rs. 12.62
5.	Banque Indosuez	Rs. 0.62	Rs. 0.83	Rs. 0.93
6.	British bank of Middle East	Rs. 0.09	Rs. 0.43	Refund
7.	Bombay Mercantile Co-op Bank Ltd.	Rs. 0.38	Rs. —	Rs. 0.70
8.	State Bank of India	Rs. 0.52	Rs. 412.61	Rs. 326.97

सरदार सरोवर परियोजना के लिए अनिवासी भारतीयों को बंध-पत्र

91. श्रीमती चन्द्रिका अभिनन्दन जैन: क्या वित्त मंत्री यह बताने की कृपा करेंगे कि:

(क) क्या सरकार को गुजरात सरकार से सरदार सरोवर परियोजना के लिए अनिवासी भारतीयों को बंध-पत्र जारी करने संबंधी प्रस्ताव प्राप्त हुए हैं;

(ख) यदि हां, तो इसका ब्यौरा क्या है;

(ग) इस संबंध में अब तक की गई प्रगति का

ब्यौरा क्या है;

(घ) सरकार द्वारा इस मामले में अब तक क्या कदम उठाए गए हैं; और

(ङ) इस प्रस्ताव को अंतिम रूप कब तक दिए जाने की संभावना है?

वित्त मंत्रालय में राज्य मंत्री और संसदीय कार्य मंत्रालय में राज्य मंत्री (डा॰ अबरार अहमद): (क) और (ख) जी, हां। गुजरात सरकार ने बांड जारी करने के लिए 22 नवम्बर, 1992 को अनुमति मांगी थी।

(ग) से (ङ) चालू नीति के अनुसार, सरकारी क्षेत्र के बांडों को जारी करना केवल उन्हीं उद्यमों तक सीमित है जो पूर्णतः या अंशतः केन्द्रीय सरकार के स्वामित्व में हैं। राज्य-स्तरीय उद्यम, डिबेंचरों को अधिशासित करने वाले 'सेबी' के मार्गदर्शी सिद्धांतों के अधीन घरेलू और अनिवासी भारतीय निवेशकों को डिबेंचर जारी कर सकते हैं।

Meeting of Bank and Central Unions

92. SHRI N.GIRI PRASAD:
SHRI GURUDAS DAS GUPTA:

Will the Minister of FINANCE be pleased to state:

(a) whether Government had called a meeting of all banks and central unions on January 29, 1994; and

(b) if so, what was the purpose of the meeting, the issues discussed therein and the outcome thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) Yes, Sir.

(b) The Finance Minister had convened a meeting with the representatives of the trade unions on 29.1.1994 to discuss the paper 'Public Sector Commercial Banks and Financial Sector Reform: Rebuilding for a better future' prepared in the Ministry of Finance, Government of India with a view to ascertain the views. A wide range of subjects were discussed in the meeting and the suggestions of the trade unions have been taken note of by the Government. The important issues discussed in the meeting were: strengthening the capital base of public sector banks through public contribution towards equity, strengthening of vigilance machinery, filling up of vacancies on the banks' boards, recovery of outstanding dues, setting up of recovery tribunals, profitability of banks / branches, restructuring of banks, role of private/ foreign banks, etc.

Spurt in Equity Values

93. SHRI GURUDAS DAS GUPTA: SHRI N. GIRI PRASAD:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the major bourses in the country witnessed an unprecedented spurt in equity values in January; and

(b) if so, the details and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) The prices of shares had generally increased substantially during January, 1994. The Bombay Stock Exchange Sensitive Index of Equity Prices (1978-79=100) had increased from 3466 as on 3.1.1994 to 3995 on 31.1.1994. The rise in share prices is a consequence of several factors which operate with differing intensity at different moments of time. Among the factors which arc perceived as being important for the rise in share prices are the substantial purchases of . shares by Foreign Institutional Investors (Fits), investments in the stock market by Mutual Funds, expectations on investors relating to improvements in the over-all economic environment and general improvement